Ten Tips for Intentional Holiday Spending

The holiday hustle and bustle will soon be upon us. It can be a stressful time, but it’s important to keep it in perspective and remember why we go to all the effort. Author Donald E. Westlake said, “As we struggle with shopping lists and invitations, compounded by December’s bad weather, it is good to be reminded that there are people in our lives who are worth this aggravation, and people to whom we are worth the same.”

With that in mind, here are 10 tips for budgeting for gifts and events for those we care about.

1. Make your list and check it twice. Who do you need to buy gifts for? How much will you spend on them? How many neighbor/office/teacher/coach gifts will you need? Do you plan on doing any entertaining during the holidays? Are there concerts, movies, etc., that you would like to go to? Are you planning to travel during the holidays?

2. Decide how much you can spend. Ideally, you've set money aside for the holidays. If not, cut back on extras such as movies, dinners out or coffee/soda until the holidays are over. Go through your monthly budget and see where you can trim back. If necessary, take on a temporary job for the holidays. Sell things you aren't using on EBay, Facebook Marketplace, Classifieds, etc. Or, try holding a garage sale in your warm garage to get rid of unwanted items.

3. Budget for everything holiday related. In addition to gifts, don’t forget all the other holiday-related expenses. These include such things as holiday clothing, the cost of shopping (gas, parking, food), donating to charitable causes, decorations, holiday concerts and movies, food and drinks for parties, gift exchanges with the office, greeting cards, family photos, postage for cards and packages and travel expenses.

4. Decide who is getting what. Set a firm “no more than” amount to be spent for each person. Parents might want to have children make a list of their wants in order of importance. Have children make their lists by early November so you can notify “Santa” of their wishes. Then, once the lists are made and mailed, let children know that no changes are allowed. If disposable income is tight, try handmade gifts such as cookies, pumpkin bread, a family photo, etc.

5. Set expectations with family, especially children. If gifts will be minimal this year, advise people now. Bring their expectations in line and absolve yourself of gift-giving guilt. Now is also the time to discuss reasonable and economically feasible gift-giving tactics with family and friends, such as grab bags, white elephant gifts, name exchanges or skipping gifts altogether.

6. Start shopping early next year. Many people shop year around and are always on the lookout for holiday gifts. Clearance racks and shelves are a great place for bargains. Buy winter clothes at the end of the season in March and April in projected sizes and hide them away until the holidays. Buy wrapping paper and holiday decor at a deep discount after Christmas. One of the surest ways to overspend is to wait until the last minute and buy all your gifts in a rush. This makes an already stressful time even more stressful.

7. Stay on budget. Keep a list of all financial obligations. When you are tempted to overspend, remind yourself of those obligations. Shop when you are pressed for time. Less time in a store usually means fewer purchases. Shop with a trusted friend or relative who will firmly guide you away from unplanned purchases. If a gift on your list is on sale, buy it. If it isn’t, “just say no.”

8. Keep track of spending. Use cash. Put each household member’s holiday budget in an envelope. When the money’s gone, it’s gone. If you use credit cards for convenience, hold a weekly reckoning with yourself, your spouse and your credit card receipts to make sure no one is going overboard. If you MUST use credit cards, pay them off as quickly as possible. Your best bet is to pay it off in one lump sum. Don’t handicap yourself as you go into the new year; put yourself in the position to be financially successful.

9. Get creative. Give “sweat equity” gifts, which might include a hand-made certificate for free babysitting or cat-sitting services, snow shoveling, yard work, etc. Share your talent. Make an afghan, do a wood-working project, make a holiday decoration or start an herb garden.
10. Add holiday cheer without breaking the bank. Play holiday music, drive around town and see the lights, do a scavenger hunt, make pies or cookies with family or friends, decorate gingerbread houses, go caroling, adopt a senior citizen for the holidays or make holiday crafts. Try giving children “something they need, something they want, something to read and something to wear.” Go to a religious service at a church that is not your own. Read holiday stories and books, decorate the tree, make a paper chain countdown, watch Christmas movies in pajamas or scrapbook the year’s events.

Remember – this is the season of giving – not the season of spending, as many merchants would have us believe.

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